



February 02, 2009

The Honorable Richard Roy, Chairman
 The Honorable Edward Meyer, Chairman
 The Honorable Clark Chapin, Ranking Member
 The Honorable John McKinney, Ranking Member
 Members of the Environment Committee
 Legislative Office Building/Capitol
 Hartford, CT 06106

RE: **AF&PA's opposition to HB 5207 and HB 5492**

The American Forest & Paper Association (AF&PA) appreciates the opportunity to comment on **HB 5207 An Act Imposing Tax On Paper And Plastic Bags** and **HB 5492 An Act Concerning the Recycling of Plastic Shopping Bags**. These bills would impose a tax (5 cents – HB 5207) or fee (20 cents > to 25 cents – HB 5492) on each paper shopping bag. AF&PA is concerned with the implications of these proposals on the forest products industry i.e. Connecticut.

AF&PA is the national trade association of the forest, pulp, paper, paperboard, and wood products industry. We represent 130 companies and related associations focused on producing essential products for people from renewable and recyclable resources that sustain the environment. The forest products industry generates \$200 billion a year in sales and employs more than one million people earning \$54 billion in annual payroll. The industry is among the top 10 manufacturing sector employers in 48 states. In Connecticut (2007), our industry employed more than 7,000 individuals and operates more than 80 manufacturing facilities. The estimated state and local taxes paid by the forest products industry totals \$51 million annually.

We feel strongly that imposing a 5 cent tax per bag or 20 to 25 cents fee on paper checkout bags, as proposed in **HB 5702 and HB 5492, would hurt Connecticut consumers who would ultimately bear the increased costs**. Our industry has suffered a severe and disproportionate blow in the recent economic crisis. Since 2006, the industry has lost more than 190,000 jobs – 15 percent of our workforce nation-wide. These jobs are critical for the survival of the rural communities where our facilities are often located. In CT, towns such as Putnam, Uncasville, and Enfield rely heavily on the good paying jobs found in forest product facilities.

The challenge is to encourage increased participation in recycling without compromising the marketplace or unintentionally harming community collection programs. AF&PA opposes government-imposed fees or taxes on products and packaging as means to

promote recycling and waste reduction. Such *fees or taxes* unnecessarily increase costs for consumers, are regressive in nature, and do nothing to increase recovery.

To AF&PA, the environmental preference of paper is intuitive. The paper bag is made from a renewable resource – managed forests – which provide habitat for animals and remove large amounts of carbon dioxide from air we breathe. In its stewardship of these lands, the forest products industry plants 1.7 million trees a day – more than two trees for every man woman in child in the U.S.

Paper bags are made from a natural fiber, so they are biodegradable, making them ideal for composting applications and, importantly, transporting compostable items like newspapers, magazines, and mixed papers to composting facilities. Many paper bags contain over 30 percent recycled material, and in some cases, retailers use paper bags made of 100 percent recycled paper. Thanks to industry leadership and tireless efforts of millions of Americans who recycle paper at home, work, and school every day, national paper recovery has reached record levels. ***In 2007, 56 percent of the paper consumed in the U.S. was recovered for recycling.*** Building on that success, *the paper industry has set an aggressive 60 percent recovery goal for 2012.*

AF&PA, along with the entire paper manufacturing and recycling community, would be happy to assist Connecticut in increased recycling efforts. With rising prices for a whole range of commodities, ***we strongly urge the CT General Assembly not to impose a tax or fee on paper bags as proposed by HB 5702 and HB 5492***

Please contact our legislative advocate TJ Casey, at (860) 229-0301, with any questions. Thank you for your consideration.